

ASSOCIATED PRESS

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A42WX (BJT)
(400) AMS BUDGET

STATINTL

NIGHT LEAD DULLES

BY GARDNER L. BRIDGE

WASHINGTON, JULY 31 (AP) THE WHITE HOUSE AFFIRMED MATTER OF FACTLY TODAY THAT ALLEN W. DULLES IS RETIRING IN A FEW MONTHS AS DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY.

WORD THAT THE COUNTRY'S TOP ESPIONAGE AGENT IS STEPPING OUT CAME AS A QUIET ANTICLIMAX TO A WALTER OF REPORTS THAT HE WAS DUE TO GET THE AXE AFTER THE CUBAN INVASION FIASCO OF LAST APRIL.

THE WHITE HOUSE PRESS SECRETARY, PIERRE SALINGER, SAID IN EFFECT THAT IT HAS BEEN DULLES' PLAN ALL ALONG TO RETIRE BY THE END OF THIS YEAR AND THERE HAS BEEN NO CHANGE IN THAT PLAN.

SALINGER'S STATEMENT WAS MADE IN RESPONSE TO A REQUEST FOR COMMENT ON A REPORT THAT FOWLER HAMILTON, 50, A WALL STREET LAWYER WITH A LONG BACKGROUND OF GOVERNMENT SERVICE, IS IN LINE TO SUCCEED DULLES.

SALINGER DECLINED TO COMMENT ON THAT REPORT, PUBLISHED IN THE AUG. 7 ISSUE OF NEWSWEEK MAGAZINE. THE MAGAZINE SAYS HAMILTON IS TO WORK WITH DULLES FOR A WHILE AND THEN TAKE OVER DIRECTION OF THE INTELLIGENCE AGENCY IN OCTOBER.

OTHERS DECLINING TO COMMENT INCLUDED DULLES, THE CIA AND HAMILTON HIMSELF.

ASKED WHETHER HE EXPECTED TO HAVE AN ANNOUNCEMENT SHORTLY ON DULLES SUCCESSOR, SALINGER REPLIED THAT HE DID NOT.

WHEN PRESIDENT KENNEDY WAS ELECTED LAST NOVEMBER HE ASKED DULLES TO CONTINUE IN HIS \$22,000-A-YEAR SUPERSENSITIVE JOB. GOVERNMENT OFFICIALS HAVE SAID PRIVATELY THAT DULLES COUPLED HIS AGREEMENT TO DO SO WITH THE EXPRESSED HOPE THAT HE COULD RETIRE ABOUT THE END OF THIS YEAR.

ADMINISTRATION OFFICIALS NOTED THAT HE TURNED 68 LAST APRIL 7.

DULLES, WHO LOOKS MORE LIKE A GRANDFATHERLY SCHOOLMASTER THAN THE DIRECTOR OF A GLOBAL ESPIONAGE NETWORK, IS A BROTHER OF THE LATE SECRETARY OF STATE JOHN FOSTER DULLES.

FORMER PRESIDENT DWIGHT D. EISENHOWER APPOINTED HIM CIA CHIEF IN 1953, AFTER HE HAD SERVED TWO YEARS AS DEPUTY DIRECTOR.

SPECULATION OVER HIS FUTURE BOILED UP AFTER THE U2 SPY PLANE INCIDENT OF MAY 1, 1960. IT DEVELOPED THAT THE CIA SENT THE U2 PLANE ON A MISSION OVER RUSSIA, WHERE IT WAS SHOT DOWN, JUST 15 DAYS BEFORE EISENHOWER WAS TO HAVE A SUMMIT MEETING WITH SOVIET PREMIER KHRUSHCHEV.

KHRUSHCHEV BROKE OFF THE MEETING IN A DISPLAY OF INTERNATIONAL INDIGNATION AFTER IT WAS REVEALED THERE HAD BEEN A WHOLE SERIES OF SPY PLANE FLIGHTS OVER HIS COUNTRY.

AFTER THE CUBAN INVASION DISASTER OF LAST SPRING, THE CIA WAS ACCUSED OF FAULTY INTELLIGENCE WORK AND THERE WAS TALK OF A DRASTIC SHAKEUP. SPOKESMEN FOR THE AGENCY DENIED THE CHARGES, AND KENNEDY SET UP A SPECIAL BOARD HEADED BY RETIRED GEN. MAXWELL D. TAYLOR TO INVESTIGATE THE WHOLE INTELLIGENCE SETUP.

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THERE WERE REPORTS THEN THAT DULLES MIGHT BE REPLACED BY TAYLOR, BY ATTY. GEN. ROBERT F. KENNEDY, OR PERHAPS BY GEN. JAMES M. GAVIN, AMBASSADOR TO FRANCE.

THERE ALSO WAS TALK OF A CONGRESSIONAL INVESTIGATION, BUT THIS QUICKLY DIED DOWN. CONGRESS MEMBERS HAVE BEEN RELUCTANT TO PROBE TOO DEEPLY INTO AN AGENCY WHOSE OPERATIONS ARE SO VITALLY LINKED WITH NATIONAL SECURITY.

THE CIA IS SO SECRET THAT ITS BUDGET, RUNNING TO SEVERAL HUNDRED MILLION DOLLARS A YEAR, IS CONCEALED IN A VARIETY OF OTHER APPROPRIATIONS.

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